



# FY 2011-12 Proposed Budget Presentation Office of Telecommunications & Regulatory Affairs

by Rondella Hawkins

TARA Manager

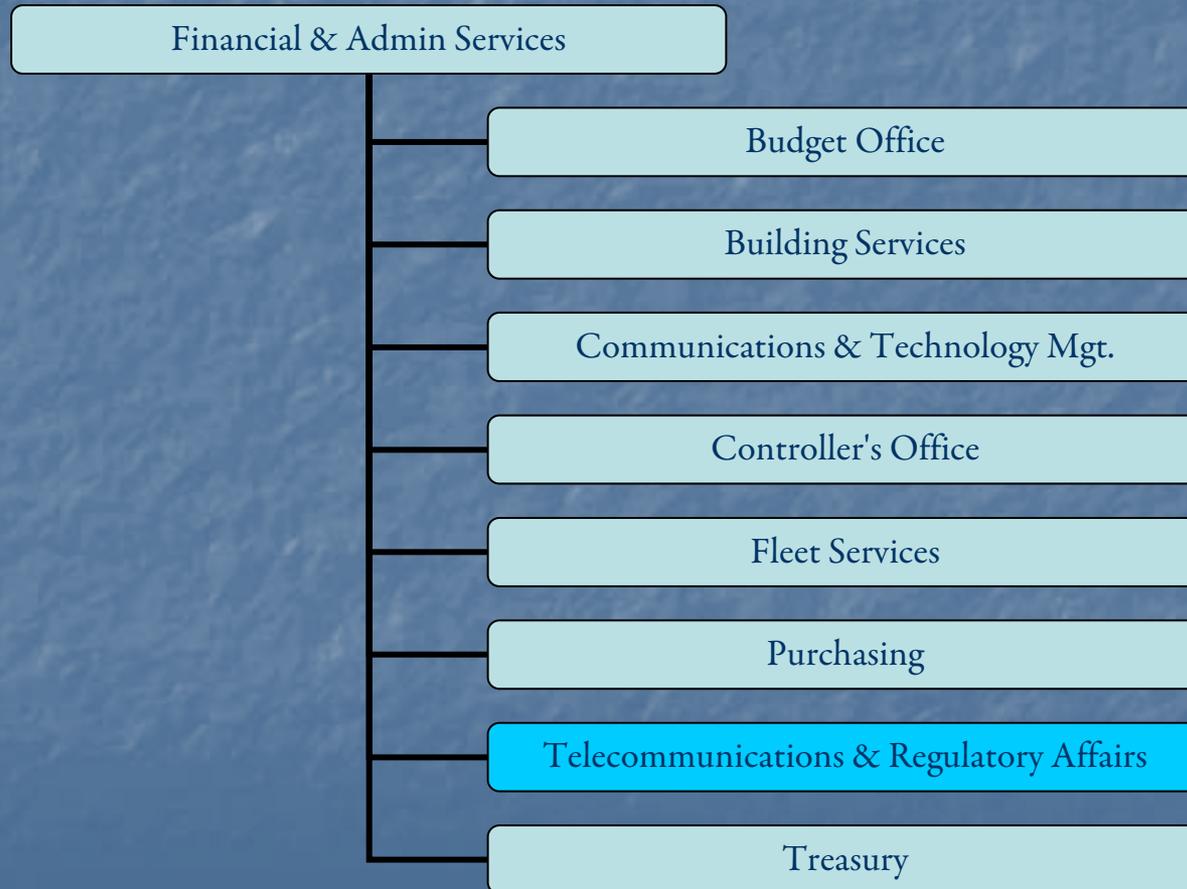
City of Austin

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# Telecommunications & Regulatory Affairs

- TARA: a division of Financial & Administrative Services



# Telecommunications & Regulatory Affairs

- TARA:

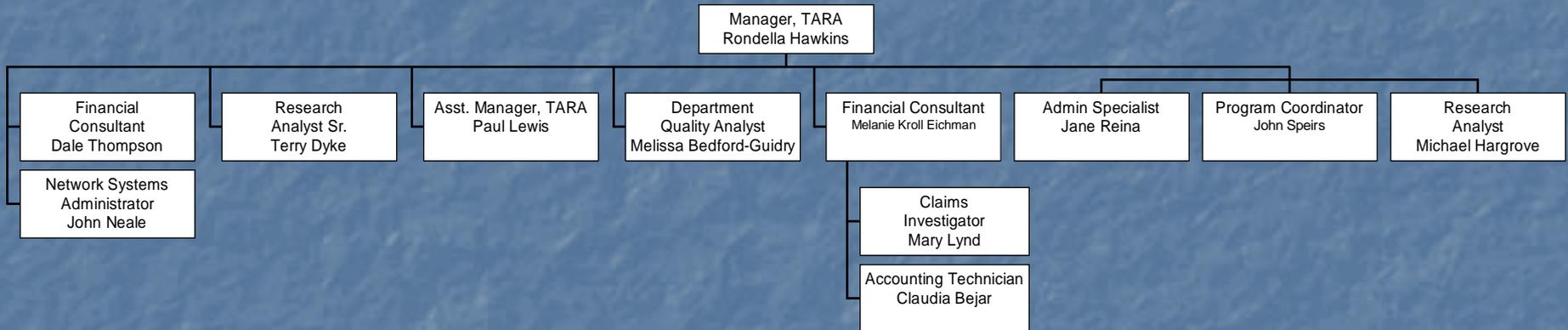
small office,  
(12 FTEs)

Big Revenue  
(\$34 million  
+ annually)



# TARA Organization Chart

Organization Chart  
Telecommunications and Regulatory Affairs  
January 2011

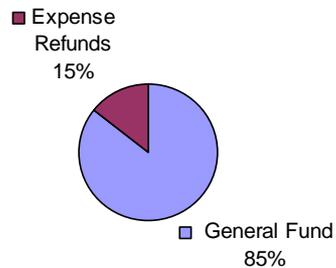


# Franchising Revenue

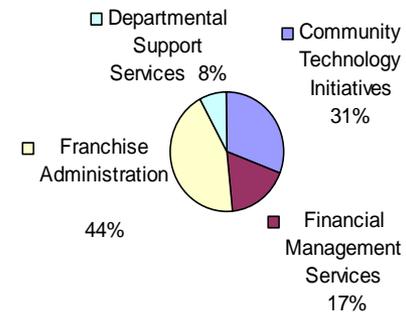
- \$34,000,000 annually to General Fund
- Companies pay rent for private use of public ROW
  - Cable – Time Warner, AT&T and Grande
  - Gas – Texas Gas Service & Atmos Energy
  - Electric – Pedernales Co-op, Bluebonnet Co-op & Oncor
  - Telephone – line fees from AT&T, +65 other providers
  - Wireless Communications – ROW License Agreements

# FY 2011 Approved Budget

## Sources of Funds



## Uses of Funds



# FY 2011 TARA Budget Recap

Approved FY 2011 Budget	\$1,061,243
less FY 2011 CYE	<u>\$1,033,941</u>

Estimated Savings FY 2011	\$ 27,302
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# Community Technology Initiatives Programs to continue in FY 2012

- **Austin Free-Net** **\$ 53,816**

Provides equitable access to technology and training.

- **GTOPs** **\$175,000**

GTOPs funding increases from FY 2011 level of \$150,000 to \$175,000 for FY 2012. GTOPs funds projects that create technology opportunities and foster digital inclusion. Continues to be funded by Austin Energy.

# Proposed FY 2012 Budget

FY 2011 Approved Budget	\$1,061,243
+ Unmet Needs	\$23,096
+ Insurance Increase	\$11,376
+ Wage Adjustment Increase	\$20,704
- Budget Reductions	<u>(\$33,995)</u>
<b>FY 2012 Proposed Budget</b>	<b>\$1,082,424</b>

# Unmet Needs Proposed for FY 2012

**Access Television Equipment Repairs**  
**Funding** for repairing existing equipment.

Fiscal Impact: \$15,000

The state-issued cable franchise only allows PEG fee revenues to be spent on capital expenditures.

# Unmet Needs Proposed for FY 2012

**Terminal Pay** for retiring staff member.

Fiscal Impact: \$ 8,096

Additional funds budgeted in lieu of leaving position vacant to fund terminal pay expense.

# FY 12 Budget Cost Drivers

- Employee Insurance Increase      \$11,376

Insurance costs increase by 10% from FY 2011's rate of \$9,481 to a per employee cost of \$10,429. TARA's total increase is \$11,376.

- Wage Adjustment      \$20,704

A 3% general wage increase is budgeted for all eligible employees for a total increase of \$20,704.

# Reductions to FY 12 Budget

Personnel Cost Savings	\$13,621
(FY 12 budgeted salaries lower than FY 11)	
Contractuals and Commodities Savings	\$20,374
(Postage, Mileage Reimb, and Legal Svcs)	
<b>TOTAL Reductions</b>	<b>\$33,995</b>

# Public Access TV



## Operational Contract Management

- City contracts with channelAustin, independent non-profit 501 (c)(3)
- Current contract runs through Sept 30, 2011 (\$617,500 annually)
- New contract to commence Oct 1, 2011 (\$450,000 annually)
- Contractor manages and operates City's access production facility
- TARA monitors performance

# FY 12 Public Access TV



## Public Access Operating Budget:

PACT Contract Fees	\$450,000
Contingency Funding	<u>\$ 30,000</u>
	\$480,000

Operational funding includes remaining operating Austin Cable Access Fund 711 balance plus a \$250,000 transfer from the General Fund.

# PEG Franchise Fee FY12

- Estimated \$1.5 million revenue
- Budgeted \$1.5 million capital expenditures
  - \$600,000 City Channel 6
  - \$300,000 Public Access
  - \$300,000 City Access facility improvements
  - \$200,000 Equipment related to migration off the Time Warner Institutional Network; other PEG Managers
  - \$100,000 – U-Verse related expenses; other PEG Managers

# FY 2012 Budget Timeline

June 6, 2011	Departments Budgets Due
July 27, 2011	Proposed Budget presentation to Council
July 27 and Aug 17 and 24, 2011	Budget Work sessions
Sept 12-14, 2011	Budget Adoption